

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 NEA-10 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07

SP-02 SS-15 STR-04 TRSE-00 ACDA-07 ISO-00 /110 W

-----107097 300318Z /65

R 300155Z AUG 77

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 5973

INFO AMEMBASSY NEW DELHI

AMEMBASSY RANGOON

AMCONSUL CALCUTTA

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E.O. 11652: N/A

TAGS: ENRG, BG

SUBJ: OIL AND GAS EXPLORATION: BANGLADESH

REF: 76 DACCA 3744

1. SUMMARY. THUS FAR, OIL AND GAS EXPLORATION IN BANGLADESH HAS YIELDED ONLY MODEST RESULTS. NO OIL HAS BEEN DISCOVERED; MOST COMPANIES ARE INCREASINGLY SKEPTICAL OF OIL PROSPECTS; AND AT LEAST TWO ARE PULLING OUT. SOME GAS (MOSTLY METHANE) HAS BEEN FOUND OFFSHORE AND ON SHORE; BUT NO FOREIGN COMPANY HAS YET BEEN WILLING TO MAKE AN INVESTMENT FOR DEVELOPMENT OF A MAJOR GAS FIELD. FOLLOWING IS UPDATE ON OIL AND GAS SCENE BASED ON CONVERSATIONS WITH FOREIGN OIL COMPANY REPS. END SUMMARY.

2. ARCO: ARCO HAS RECENTLY NOTIFIED PETROBANGLA THAT IT WILL ABANDON ITS OFFSHORE EXPLORATION TRACT. THIS ABANDONMENT WILL BE FORMALIZED EARLY IN SEPTEMBER.
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3. ASHLAND OIL: ASHLAND REPORTS THAT IT WILL FORMALLY NOTIFY PETROBANGLA THIS WEEK OF ITS INTENTION TO ABANDON ITS OFFSHORE EXPLORATION TRACT.

4. INA NAFTAPLIN: OIL COMPANY SOURCES BELIEVE THAT INA, A YUGOSLAV FIRM, INTENDS TO ABANDON ITS OFFSHORE

EXPLORATION TRACT IN THE NEAR FUTURE.

5. UNION OIL: UNION OIL DISCOVERED COMMERCIALY
VIAABLE AMOUNTS OF NATURAL GAS FROM AN OFFSHORE
DRILLING DURING ITS EXPLORATION PROGRAM
IN LATE 1976. IT IS NOW AWAITING DECISION AND
GUIDANCE FROM ITS HOME OFFICE FOR POSSIBLE NEGOTIA-
TIONS WITH PETROBANGLA CONCERNING PRODUCTION. UNION
HAS NOT DECIDED WHETHER IT WILL CONDUCT FUTHER
EXPLORATION DURING THE WINTER DRILLING SEASON. ITS
DECISION PROBABLY WON'T BE ANNOUNCED UNTIL NOVEMBER.

6. BENGAL OIL COMPANY: BENGAL OIL, A JAPANESE FIRM,
IS REPORTED TO BE SERIOUSLY CONSIDERING OFFSHORE OIL
EXPLORATION THIS WINTER. BENGAL HAS ALREADY DRILLED
TWO WELLS ON THEIR OFFSHORE LEASE WITH NO REPORTED
SUCCESS. BENGAL'S OFFSHORE TRACT HAS BEEN SLIGHTLY
REDUCED IN SIZE DUE TO BORDER NEGOTIATIONS BETWEEN
BURMA AND BANGLADESH.

7. HIJLA-MULADI: OIL SOURCES REPORT THAT PETRO-
BANGLA, QUOTE MAY HAVE DAMAGED ITS HOLE UNQUOTE IN
ITS RECENTLY DISCOVERED GAS FIELD AT MULADI, BARISAL
DISTRICT. THE FIELD IS BELIEVED TO BE MINOR.

8. BEGUMGANJ: DUE TO DIFFICULTIES PROHIBITING
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ADEQUATE TESTING OF ITS FIRST WELL AT BEGUMGANJ,
PETROBANGLA IS REPORTEDLY DRILLING A SECOND WELL AT
THE BEGUPCANJ GAS FIELD IN NOAKHALI DISTRICT. OIL
INDUSTRY SOURCES REPORT THAT THE FIELD IS PROBABLY A
MINOR ONE.

9. BAKRABAD: IT IS DOUBTFUL THAT INTERNATIONAL
SYSTEMS AND CONTROLS OF HOUSTON, TEXAS WILL BE ABLE
TO FULFILL ITS EARLIER PLEDGE TO CONDUCT FURTHER
EXPLORATION AT BAKRABAD BY NOVEMBER. TWO GEOLOGIC
FAULTS REPORTEDLY CROSS THE BAKRABAD FIELD DIVIDING
IT INTO THREE PARTS. THE ONE WELL DRILLED AT BAKRA-
BAD TO DATE ESTABLISHED THE PRESENCE OF SIGNIFICANT
QUANTITIES OF GAS IN THE CENTRAL SEGMENT ONLY.
PROOF OF SUFFICIENTLY LARGE GAS RESERVES IN BANGLA-
DESH IS ONE PRECONDITION TO LNG DEVELOPMENT. BAK-
RABAD RESERVES WOULD HAVE TO SUPPLY THE BULK OF
THIS.
MASTERS

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Message Attributes

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